

Overview

REQUEST FOR PROPOSALS TO PROVIDE

Independent Investment Consulting for 529, 401(a) and 457(b) Plans

As part of the RI Treasury procurement process, a Requests for Proposal was issued for
Independent Investment Consulting for 529, 401(a) and 457(b) Plans

The 529 Plan has been advised by Capital Cities since November, 2014, for a fee of \$75,000/year

Segal Marco and Capital Cities had provided project consulting services to the 401(a) and 457(b) Plans in 2017 and 2018

Segal's project consulting services were administered for a fee of \$49,500

Capital Cities' project consulting services were administered for a fee of \$15,000

Search committee included Treasury staff plus Erik Carleton from the SIC

Five firms, including the incumbent 529 Investment Consultant, Capital Cities, provided initial responses

Cammack LaRhette Advisors

Capital Cities

Dahab

The Optimal Service Group

Segal Marco Advisors

Initial responses were judged according to fulsomeness of responses, depth of resources, and experience with similar plans.

Following initial responses, we requested that Cammack, Capital Cities and Segal Marco submit a presentation with their impression of our defined contribution and deferred compensation plans and a first 90-days game plan. We met with the three finalists.

We assessed the candidates' 529, 401(a) and 457(b) Plan experience during the in-person interviews. Due to the varying degree of expertise and experience across plan types, it was determined that 529 and DC organizational characteristics should be scored, separately.

We spoke with references for both Cammack LaRhette and Capital Cities.

During the 1/23/2019 SIC meeting, the search committee recommended that Capital Cities be retained as the Investment Consultant to the 529 Plan.

Cammack LaRhette Advisors and Capital Cities were asked to respond to prepared follow-up questions related to the 401(a) and 457(b) plans. The search committee conducted follow-up calls with the two finalists.

Following the discussions, the two 401(a)/457(b) finalists were rescored according to a 100 point scale, distributed as follows:

Organizational Characteristics	40 =	<u>529</u> 20	+	<u>DCP</u> 20
Staff experience				
Organizational structure				
Client Service				
Compliance				
Investment Philosophy Analysis & Process	30			
Performance & Risk Reports	15			
Fees	15			

Final scores were

Cammack LaRhette Advisors	86
Capital Cities	88

Fee Table

	529	401/457	TOTAL
Capital Cities	\$75,000	\$105,000	\$180,000
Dahab			\$350,000
The Optimal Service Group	\$50,000	\$300,000	\$350,000
Segal Marco			\$135,000
Cammack*	\$67,500	\$81,250	\$148,750
Capital Cities (529) + Cammack* (401/457)	\$75,000	\$81,250	\$156,250

*Cammack fees incorporate the following one-time RFP costs, evenly distributed across a 4 year period:

- 529 Plan program manager: \$50,000
- 401/457 Plan recordkeepers: \$105,000